

CONSENT ORDER

**Issued and Entered
this 31st day of January, 2005
by Linda A. Watters
Commissioner of the Office of Financial & Insurance Services**

Based on the Stipulation to Consent Order set forth above, IT IS HEREBY ORDERED THAT:

1. JTD Financial Ltd. ("JTD") shall CEASE and DESIST from violating Sections 2(4), 5, 21(1), 21(2), and 22(a) of the MBLSLA.
2. JTD shall pay to the State of Michigan, through OFIS, a civil fine in the amount of \$2,000.00. The fine shall be paid on or before 30 days of the date of entry of this order.
3. JTD shall maintain a program to monitor and assure compliance with all state and federal laws and regulations pertaining to brokering, origination, closing, and servicing of mortgage loans. JTD shall educate its officers and employees involving the brokering, origination, and closing of mortgage loans on all applicable state and federal laws and regulations, including, but not limited to, the Mortgage Brokers, Lenders and Servicers Licensing Act, Federal Real Estate Settlement Procedures Act, National Housing Act, Federal Truth-in-Lending Act, Equal Credit Opportunity Act, Fair Credit Reporting Act, Anti-Redlining Act, and applicable usury laws. The education shall be accomplished by requiring the officers and employees involved in the brokering, origination, closing, and servicing of mortgage loans to attend training seminars for the next 12 months at least four hours in duration every quarter. The seminars shall be conducted by persons not employed by JTD and with recognized experience in the mortgage industry. The instructors for the seminars shall be varied in order to give the

officers and employees a broad view of the regulation and operation of the mortgage industry. The seminars shall include the philosophy behind the laws and regulations as well as the requirements of the laws and regulations. The seminars may be organized by either JTD or a local or national organization such as the Michigan Mortgage Lenders Association or the Mortgage Bankers Association of America. JTD shall keep a record of the attendance of the officers and employees at the seminars.

The program shall include designation of a compliance officer who will conduct reviews, not less than quarterly, of a sample of files for closed loans and rejected loan applications and assure compliance with all relevant federal and state laws. JTD shall maintain written reports of the results of its file reviews. The written reports shall be maintained as required by Section 21(2) of the MBLSLA. Within 30 days of the date of this order JTD must inform OFIS of the individual designated as compliance officer and if there is any change in the compliance officer, such change shall be reported in writing to OFIS within 30 days of the change.

4. Within 60 days of this order, JTD shall provide an independently audited, compiled, or reviewed financial statement of JTD as evidence that JTD meets the minimum net worth requirement set forth in Section 5.

5. JTD shall, at all times, maintain a minimum net worth of \$25,000.00 as required under Section 5.

6. JTD shall maintain its books, accounts, records, and documents of the business conducted under the license to enable the Commissioner to determine whether JTD's business is being conducted in compliance with the MBLSLA.

7. JTD shall preserve and keep available for examination each mortgage

loan document in its possession or control as required under Section 21(2) of the MBLSLA.

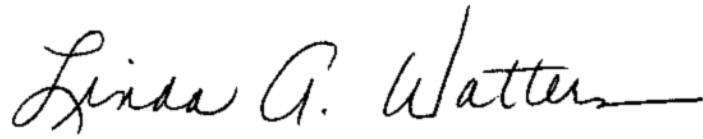
8. JTD shall not utilize independent contractors for mortgage loan origination unless they are: 1) licensed or registered under the MBLSLA; 2) exempted from the MBLSLA under Section 25; or 3) licensed as a class I licensee under the Consumer Financial Services Act.

9. JTD shall review and comply with the OFIS Consumer Finance Bulletin No. 2003-09-CF, posted on the OFIS website, which clarifies OFIS' position on employees and branch offices in Michigan.

10. JTD shall not utilize net branches or independent branch offices, as defined in Bulletin No. 2003-09-CF. All branch offices of JTD must be staffed by employees of JTD that are under the control and supervision of JTD. Branch locations must operate and advertise only under the name appearing on JTD's mortgage license. Contracts for facilities, services, utilities, supplies, and equipment of branch offices must be in JTD's name.

11. Within 6 months of this order, JTD shall develop and maintain a comprehensive employee Procedures Manual clearly delineating the mortgage loan process and all statutes, ordinances, rules, and regulations that govern the activity of its employees.

The Commissioner retains jurisdiction over the matters contained herein and has the authority to issue such further order(s) as she shall deem just, necessary and appropriate in accordance with the MBLSLA.

A handwritten signature in black ink, reading "Linda A. Watters" followed by a horizontal flourish.

Linda A. Watters, Commissioner
Office of Financial & Insurance Services